

PJ Name: \_\_\_\_\_

Subrecipient Name (if applicable): \_\_\_\_\_

Reviewer: \_\_\_\_\_ Date: \_\_\_\_\_

QUESTIONS	ANSWER		NOTES
	Y	N	
<b>A. PROGRAM RECORD KEEPING</b>			
1. Based upon a review of project case files, are project files complete?			
<b>B. PARTICIPANT ELIGIBILITY</b>			
2. Do case files demonstrate full compliance with participant eligibility requirements—income, ownership, residency?			
3. Is income eligibility determined using appropriate methods?			
4. Are the appropriate HOME income limits used?			
5. Are income verification procedures in place and applied consistently?			
6. Are there procedures for income verification: <ul style="list-style-type: none"> <li>a. Adequate for documenting the income-eligibility of each household?</li> <li>b. Completed within the appropriate time period?               <ul style="list-style-type: none"> <li>___ Within 6 months prior to the date of purchase of an existing home</li> <li>___ Within 6 months of contract signing for purchase of a new home</li> <li>___ Within 6 months of execution of a lease-purchase agreement</li> </ul> </li> </ul>			
7. Is there documentation that the assisted homebuyer will occupy this property as a principal residence?			
8. Do the files show that HOME funds are used for acceptable forms of ownership (fee simple title, 99 year lease, or other approved form)?			
9. If additional eligibility requirements are placed on applicants, are these requirements non-discriminatory?			
<b>C. PROPERTY ELIGIBILITY</b>			
10. Do project files demonstrate full compliance with eligibility requirements—property type, property value, minimum/maximum HOME investment?			
11. Are there adequate procedures to confirm that unit qualifies as a HOME-eligible, single-family property under the program?			

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	Y	N	
12. Are there adequate procedures for assessing whether properties are located in a target area (if applicable)			
13. Are there adequate procedures for ensuring that all projects will require an investment of at least \$1,000 in HOME funds per HOME-assisted unit but no more than the maximum subsidy amount?			
14. Do project files indicate that value estimates: a. Were determined using appropriate methods? b. Reflect after-rehabilitation/construction value?			
<b>D. PROPERTY STANDARDS</b>			
15. Do construction documentation and any site visits demonstrate that property standards are being observed?			
16. Are there established written rehabilitation/construction standards for use in determining the standard for construction work?			
17. Are the rehabilitation/construction standards applied consistently?			
18. Where HOME funds are used for acquisition only or for new construction, are there inspection procedures in place to ensure that all properties are free of health and safety defects before occupancy?			
19. If HOME funds are used for acquisition and rehabilitation, is there a system in place to ensure that all properties meet the necessary standards within the appointed time periods?			
20. Do the PJ's work write-ups have enough detail to enable contractors to provide a reliable bid, or do contractor's proposals provide enough detail for a thorough cost review?			
21. Are regular progress inspections performed?			
22. Do final inspections confirm that all contract work was completed?			
23. Did on-site visits show that properties met applicable property standards? (if applicable)			
24. If new construction, were model energy code standards met?			
<b>E. ELIGIBLE COSTS</b>			
25. Do work write-ups, proposals, and contracts in the project files show that all costs are HOME-eligible and reasonable?			

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26. Is there an adequate system for reviewing cost estimates and evaluating whether they are cost reasonable?			
27. Are cost estimates reviewed by a person other than the person performing the inspection?			
28. Is there a list of eligible and ineligible costs?			
29. Are contractor proposals reviewed to ensure that all proposed costs are eligible?			
<b>F. CONTRACTOR SELECTION</b>			
30. If the PJ selects the contractors, is a competitive bid process used (i.e., was there a public invitation for bids, was an effort made to solicit at least three bids, and were bids reviewed using consistent criteria)?			
31. Were the selected proposals cost reasonable (e.g., within 10 percent of the original cost estimate)? If not, is there an explanation?			
32. Is a list of pre-qualified contractors maintained? If yes: a. Are the contractors regularly reviewed to assure continued eligibility? b. Are any contractors on the list currently debarred or suspended from receiving Federal funds? If yes, have they worked on an assisted project since the time of debarment?			
33. Are there procedures to verify that contractors have not been suspended or debarred from work on projects receiving Federal funds during the time of project work?			
34. Does the program involve a sufficient number of contractors given its volume?			
<b>G. CONSTRUCTION MANAGEMENT</b>			
35. Are preconstruction conferences held with contractors?			
36. Do construction documents show that all work was approved, completed, and inspected prior to payment?			
37. Do files contain evidence that regular inspections completed to assess the progress of rehabilitation work?			
38. Are the procedures for construction management adequate (e.g., construction delays and canceled projects not excessive)?			

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39. Is a contingency incorporated in the construction contract?			
40. Is there a retainage (holdback) for each payment?			
41. Is there a system for reviewing requests for change orders?			
42. Are properly executed change orders used?			
43. Does someone other than the person doing the inspection authorize all change orders (if applicable)?			
44. Do any HOME funds need to be repaid due to ineligible expenses?			
45. Are there arbitration/grievance procedures to resolve disputes between the contractor and PJ?			
46. Are final payments made only after all work is completed?			
47. Are there adequate construction contract close-out procedures, including: a. Final invoice? b. Statements from all subcontractors on the project? c. Contractor non-kickback certificate? d. Waiver of liens releasing the project from lien action? e. Certificate of final completion?			
<b>H. LOAN PROCESSING</b>			
48. Are loans and grants being made under the program consistent with the program description?			
49. Are there clear and consistent written loan underwriting procedures?			
50. Is there written notification for applicants for the loan award?			
51. Are there procedures in place to ensure that applicants receive the appropriate truth in lending and right of rescission information?			
<b>I. LOAN SERVICING (if applicable)</b>			
52. Are the lien instruments recorded?			
53. Do loan documents indicate when payments will commence?			
54. Are periodic reports generated on loan payments and delinquencies?			

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55. Are late charges levied on loans in arrears?			
56. For loans in default, are specific steps undertaken to collect?			
57. Are policies and procedures available in writing for: a. Loan servicing? b. Loan default? c. Foreclosure?			
58. If the loan is a deferred loan, is a tracking system used to manage deferred loan assets, including: a. Recapture where adequate value exists to recover full principal? b. Where net proceeds are less than the available equity at sale?			
59. Does the PJ or servicing contractor have adequate written loan servicing procedures?			
<b>J. RESALE/RECAPTURE OPTIONS</b>			
60. Have proper recapture or resale options been implemented?			
61. Are there clearly defined rules for implementing the recapture or resale options?			
62. If recapture, are provisions incorporated into a deed of trust and/or promissory note to reflect the details of recapture and the period of affordability?			
63. If resale, are deed restrictions placed on each property for the period of affordability?			
64. Are any loans forgivable? If yes: a. Is forgiveness limited to after the affordability period has ended? b. Is forgiveness structured so that a certain amount is forgiven annually during the affordability period?			
<b>K. WRITTEN AGREEMENTS</b>			
65. Do all project files contain all required written agreements between the PJ and homebuyer (see Chapter 3)?			
66. Are all construction contracts between the owner and contractor properly executed, including Federal provisions as outlined in 24 CFR Part 85?			